

RFP for MSHDA's Compliance Monitoring Rental Portfolio
Question Set #2 - Received 09/13/2004
All Questions Regarding Physical Inspections

1. Can we get a list of other firms that have received the RFP?

MSHDA considers the names of individuals and entities that have requested to receive the RFP to be confidential information until after the competitive bid process is completed.

2. It is indicated that individuals must have an office in Michigan. Is this also true of corporations? Even if that corporation is already under contract to MSHDA for other services?

All corporations, even those currently under contract with MSHDA for services, are required to have an office located in the state of Michigan. Forming a Michigan Corporation is not required, however Corporations must be licensed to do business in the State of Michigan.

3. On page 3, reference is made to HQS certification. To the best of our knowledge, while some private companies offer HQS training, there is no HUD-endorsed curriculum or HUD certification in the way that there is for UPCS. Would documented successful completion of an on-line HQS course, like that offered by the state of Colorado, be acceptable?

Yes, documentation of HQS training would be acceptable.

4. The nomenclature regarding Authority-financed properties is somewhat confusing. Does Authority-financed mean bond-financed, Section 236, and Section 8, and not LIHTC?

The term "Authority-financed" means a multi-family development financed by an Authority mortgage loan.

The term "assisted" means a development receives payments through a Program (either state or federal) that enables the development to subsidize rent for households

The term "program" means an Authority sponsored or administered program through which developments or units are financed or receives assistance. Programs include, but are not limited to Section 8, Section 236, 80/20, 70/30, Taxable Bond, LIHTC, Neighborhood Preservation, TEAM, HOME, HOME TEAM, Pass-Through

5. On page 8, it is indicated that MSHDA will issue a list of properties and due dates. How much latitude will contractor have on scheduling, i.e. will there be an acceptable time-range to perform?

Annual physical inspections are due one year after the previous inspection and dates must be closely adhered to based on federal requirements. Due dates are calculated based on the previous inspection date and should be scheduled for a date within the month the inspection is due.

6. On page 8, as regards "review local health, safety, or building code violation reports", should the inspection contractor request these in the inspection confirmation letter? Can we 'take the word' of property representatives in this regard (not have to make several calls to local agencies)?

Scheduling letters must provide written notification to the management agents/owners that this information should be available to the inspector when the physical inspection is performed. If this information is not kept on-site, the management agent/owner will be required to send it to the inspector prior to the inspection date.

7. On page 9, it is indicated that MSHDA reserves the right to require that more units be inspected than normal sample requirements. How often has this occurred on past inspection efforts?

Requesting the physical inspection of a quantity of units that exceeds the requirements has occurred in the past, however it is rare.

8. Reference is made to Authority-Approved Forms. Can MSHDA share these with respondents now?

This question appears to refer to Section 6.3 of the RFP; "The Contractor shall follow and apply the Uniform Physical Condition Standards for LIHTC Units ... and shall use Authority-Approved Forms when conducting such inspections."

An example of the current "Authority-approved form" for a UPCS property has been included as an Attachment under the name UPCS Physical Inspection Report. The UPCS-Plus report will be new in 2005 and therefore is not yet available. Forms and reports are subject to change.

9. The sizes of unit samples to be inspected are set out, but not the manner of selection – whether by the inspector, owner/agent or MSHDA. Can you clarify?

The specific units to be inspected will be randomly selected by the inspector, by MSHDA staff or a combination thereof. Specific units to be inspected should never be determined by the owner/agent.

10. On page 9, reference is made to "Tenant file audit no more than 30 days after the physical inspection". Does inspection contractor need to coordinate with the file audit contractor in advance or is it acceptable to simply notify the file auditor of the inspection schedule?

The physical inspection contractor will notify MSHDA Compliance Monitoring of the physical inspections scheduled. MSHDA compliance monitoring will notify the file audit contractor of the scheduled dates and files to be audited.

11. On page 9, it is indicated that the contractor is expected to review inspection findings with property owner/management agent (O/A) on LIHTC and HOME inspections (on page 11, 6.5.9 it seems to call for this function more broadly, on essentially all inspections). On UPCS inspections for HUD, it is required that inspectors call out deficiency observations as they are seen. Would this be responsive, or does MSHDA contemplate another form of interaction?

It is expected for all physical inspections that a management agent/owner representative would be present to accompany the Contractor during the inspection. Deficiencies should be called out as observed. At the end of the physical inspection, the inspector will review the results of the inspection with the management agent/owner representative.

12. On page 9, regarding "re-inspections on Tax Credit / Home units at the request of the authority.", on what basis will MSHDA require a re-inspection? Will there be a separate charge for these? What percentage of inspections to date have entailed re-inspection? On page 12, this requirement seems to extend to Authority-financed properties as well.

Yes, there will be a separate charge for re-inspections. In the past, MSHDA has required re-inspections six months after the annual inspection for all properties in the MSHDA core portfolio of developments. (approximately 400 of the current 1,400 properties). However, for 2005, a decision has been made to re-inspect only those properties as deemed necessary by MSHDA staff. The properties to be re-inspected have not yet been identified.

13. On page 10, 6.5.3., it is indicated that the inspector 'shall inspect any particular unit' identified by MSHDA staff. Would these be included within, or outside, the samples stipulated.

Most often when MSHDA staff request inspection of particular units, it is within the required sample size. However, occasionally MSHDA staff has requested that the sample size be increased to include inspection of additional units.

14. Under 6.5.4, it is indicated that tracking of O/A responses should be done in Access, Excel or compatible product. Can MSHDA clarify the chain of communication that is anticipated in this regard? Does MSHDA have an existing program for this purpose, or is contractor expected to provide one?

It is anticipated that Contractors will provide status information for developments to MSHDA in an electronic format. MSHDA is currently collecting this information from contractors and records the information in an Access database. Some Contractors have been able to provide this information in the form of Excel spreadsheets. This format has worked well while others have been problematic. MSHDA is also exploring other alternative options for collecting data electronically such as a web interface with the new Mitas integrated database.

15. On page 11, 6.5.5, MSHDA anticipates the electronic upload of inspections. Have all inspections to date been automated, or have they been 'paper'?

MSHDA physical inspections have been electronically uploaded through the MHI system for the past 11 years and will continue to be automated through this system for 2005.

16. At 6.5.9, reference is made to electronic reporting of serious health and safety concerns. Does the form for this report now exist?

This form has not been standardized in the past, but it is intended that the form and process will be standardized in 2005.

17. At 6.7, MSHDA calls for review and reporting of CNA circumstances. Does a data field for this report exist? Is the focus to be on major non-recurring items (e.g. roofs, boilers) or is it more broad (flooring, appliances etc.)?

When a CNA review is performed on a development, the inspector reports the results and observations in the MHI system in the Annual Physical Inspection Report.

18. At 6.8, MSHDA calls for hard copy reports going to owner/agents (O/As) and MSHDA within twenty days of inspection. How do these differ from the uploads? Does MSHDA have an automated function that organizes and summarizes observations, or is this to be done manually?

Physical Inspection Reports are sent by hard copy to the management agent/owner and electronically uploaded to MSHDA no later than twenty business days following the date of the inspection. A hard copy of the report and cover letter are sent to MSHDA along with the Contractor invoice for the services.

19. At 6.10, MSHDA calls for contractor review of O/A responses to inspection reports. Can MSHDA elaborate on these – how extensive, what reliance on Q/A representations?

When the management agent/owner certifies to the Contractor and MSHDA how and when physical inspection items were resolved, the contractor is merely responsible for ensuring that all items have been certified as resolved. If items are still outstanding, the contractor will notify the Management Agent/Owner in a letter and enforcement action will be taken by MSHDA. The Management Agent/Owner will be held accountable in the event that MSHDA determines in a quality assurance review that items the Management Agent/Owner certified as completed were in fact, not completed.

20. At 7.1, the RFP calls for a list of agencies for which respondent has done similar work, with contact information, and also references. How do these differ?

The difference between the two points under RFP Section 7.1 is as follows: Item #1, bullet point #2 requests reference information regarding similar work with state or local agencies. Bullet point #3 requests reference information regarding similar work with other entities that are not state or local agencies.

21. At 7.3, MSHDA asks for Certificate of Good Standing and Certificate to do Business in Michigan. We have previously done considerable work with MSHDA without these certificates. Are they required of us now?

MSHDA legal staff will review and consider this exception request in light of past working experience with the Authority.

22. At 8.2 the procurement's evaluation criteria are set out but they do not the relative weights of these criteria – scoring values. Will MSHDA disclose these

The MSHDA evaluation committee has not yet finalized the relative weights for each of the evaluation criteria.

23. The Proposal Certification refers to professional liability insurance. Such insurance is reasonably required, and readily available on commercial terms, for design and engineering services. It is not likely to available, certainly not on feasible terms, for basic inspection services. HUD and many other agencies require general liability insurance for efforts like those contemplated here. Would MSHDA consider general liability insurance instead of professional liability insurance here?

MSHDA legal staff will review and consider this request.